INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

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HOUSE COMMITTEE REPORTS REVISED MANPOWER BILL

Rule Sought to Permit Final Action During Week of January 29

The Committee on Military Affairs reported to the House on January 24 a bill (H. 1752) to provide means of meeting manpower requirements in civilian activities, occupations, and endeavors found essential to the war effort. This bill embodies revisions of H. R. 1119 upon which the committee had held hearings. Chairman May hopes to obtain a rule for consideration of the bill that will permit final action on the measure during the week of January 29.

The bill would add a new subsection to Section 5 of the Selective Training and Service Act of 1940 which would impose upon every registrant between the ages of 18 and 45 who is not on active duty in the armed forces or exempted or deferred (certain elected and other officials and certain religious personnel), a liability to perform work in an activity in war production, or in support of the national health, safety, or interest, or in an agricultural occupation or endeavor essential to the war effort, as designated by the Director of War Mobilization or by an agency named by him.

Registrants so liable to work who are now or hereafter employed in a designated activity or occupation would be "frozen" in their jobs; that is, the bill would impose on registrants a duty not to voluntarily discontinue such employment unless their local boards find it is in the best interest of the war effort for them to leave such employment.

If the Director of War Mobilization certifies that in any area the manpower requirements in a designated activity or occupation have not been met by such "freezing" or by voluntary recruitment, registrants may be requested by their local boards to become employed in such activities; and if the manpower requirements are not met by such action registrants may be ordered by their local boards to make application for employment in a designated activity and to enter such employment when accepted therefor.

Every registrant so liable to work has a right, if "frozen" in a job, to apply for transfer to other employment; or if ordered to take a job, to apply for a revocation or modification of such order, with rights of appeal from any denial of such an application.

For wilful violation of either the duty to stay on a job in which "frozen" or the duty to obey an order to take a new job, a registrant would be subject to the same fine and imprisonment provided for violation of an induction order under the Selective Training and Service Act. However, the bill provides certain specific defenses to a registrant charged with such violation, including the defense that the denial of his application to transfer to other employment or to obtain a revocation or modification of the order to take a certain job was not based upon a fair consideration of his application.

Any registrant liable to work who violates the duty to work as imposed by the section may be drafted into the armed forces.

The Tydings Amendment would not be affected by the bill.

Registrants who become employed as a result of a request or order would be entitled to allowances for travel, and subsistence during travel, to the new place of occupation and, at the conclusion of employment, back to their homes or places of original departure.

The bill does not include the closed-shop ban which had been tentatively

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Planning Committee to Meet February 4-5

The application of the Association to the Government War Committee on Conventions for approval of a meeting of the Board of Directors and Administrative Council on February 4-6 having been denied, a meeting of the Association's Planning Committee has been called for February 4 and 5 at the office of the Association in Washington.

Membership of the Planning Committee is less than the 50-person limit set by the Government as the largest group that can meet without permit from the War Committee on Conventions.

Government agency representatives are expected to present to the Planning Committee the information originally scheduled for presentation before the Administrative Council and Board of Directors. The Association plans to publish a special issue of the INFORMATION LETTER containing such information as is furnished on 1945 food production policies and programs, including government requirements, production goals, grower prices and support programs, processors' prices, and manpower. This LETTER will be issued as promptly as possible after the meeting of the Planning Committee and will be sent to the entire industry.

Subsidy Program to be Amended to Allow Payments on Tomato Products Used in the Remanufacture of Other Canned Foods

The subsidy program on canned vegetables will be amended by the War Food Administration to provide for the payment of a subsidy on that part of a canners production of canned tomato paste and canned tomato puree used by him in the production of any other canned foods. Authorization for this revision is covered by Amendment 1, Office of Economic Stabilization Directive 13, issued and effective January 20, 1945. The text of the directive follows:

On December 27, 1944, the War Food Administrator submitted to me certain information and the recommendation that the subsidy on canned products processed from the four major vegetables, authorized and directed by Directive 13 issued by this office on October 7, 1944, likewise be paid on the use of canned tomato paste or canned tomato puree by the canner thereof in the production of any other canned food product also actually produced by him. On January 17, 1945, the Price Administrator concurred in the recommendation of the War Food Administrator.

1. I hereby find that the payment of the subsidy on the use of canned tomato paste or canned tomato puree by the canner thereof in the production of any other canned food product also actually produced by him will effectuate the purposes of the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and Executive Orders Nos. 9250 and 9328, by correcting gross inequities.

2. Paragraph 3(c) of Directive 13 issued October 7, 1944, is amended to read as follows:

(c) To subsidize sales to purchasers other than government procurement agencies of canned tomato soup, canned green pea soup and canned tomato catsup, tomato paste, tomato puree, tomato sauces, tomato juice contained in mixed vegetable juices, and tomato cocktail, by continuing to absorb the increases by area between the average prices paid in 1942 and the 1944 grower support prices for processing for tomatoes and green peas used in producing those commodities. The subsidy is to be paid, in addition to the foregoing, on the use of canned tomato paste, and canned tomato puree as hereinafter specified. The use of canned tomato paste or canned tomato puree by the canner thereof in the production of any other canned food product also produced by him shall be deemed to be "sales to purchasers other than government procurement agencies," within the meaning of this paragraph (c); and the subsidy shall apply to such sales only with respect to the quantity of such other canned food product actually produced by him.

Canned Tomato Juice Stocks

Civilian stocks of canned tomato juice on January 1, 1945, as compiled by the Association's Division of Statistics, were 5,964,307 actual cases, equivalent to 6,788,000 cases basis No. 2's. These compare with January 1, 1944, civilian stocks of 4,922,000 cases equivalent No. 2's, as reported to the Office of Price Administration.

The table shown below is based on reports from canners who canned about 88 per cent of the 1944 pack, together with estimates for those not reporting:

	Cans per case	Civilian stocks Jan. 1, 1945
		Cases
No. 211 Cyl.	48	.....
No. 300 (incl. all 300 cans from 407 to 412)	48	14,403
No. 1 Tall	48	3,655
No. 303 Cyl.	24	44,420
No. 2	24	2,697,677
No. 2 Cyl. (incl. all 307 cans from 505 to 513)	24	26,402
No. 3 Cyl. (incl. 404 cans from 615 to 708)	12	2,068,986
No. 10	6	808,775
Miscellaneous Tin	..	15,135
Glass	..	284,854
Total	..	5,964,307
Total (Basis 24/2's)	..	6,788,000

Carroll Joins GMA

Jean F. Carroll, former head of OPA's Food Price Division, has been named managing director of the Public Information Council of the Grocery Manufacturers of America. Mr. Carroll, prior to his past two years' work with the Government, was an executive with the Kroger Grocery Company. His experience includes a considerable knowledge of marketing research and the publication field.

Record Set in Freight Traffic

Railroads in 1944 handled the greatest volume of freight traffic, measured in ton-miles of revenue freight, for any year on record, the Association of American Railroads announced on January 24. In that year it amounted to approximately 737,000,000,000 revenue ton-miles, according to preliminary estimates based on reports from Class I railroads. This was an increase of 1.4 per cent above the previous record established in 1943, when the volume amounted to 727,075,495,000 revenue ton-miles. The volume of freight traffic carried by the railroads in 1944 was an increase of 121 per cent compared with 1939.

Stocks of Canned Sweet Corn

Civilian stocks of sweet corn on January 1, 1945, as compiled by the Association's Division of Statistics, were 5,455,111 actual cases equivalent to 5,126,000 cases of No. 2's, compared with 8,084,000 cases basis No. 2's on January 1, 1944, as reported to the Office of Price Administration.

Shipments in December, 1944, were 2,551,947 actual cases equivalent to 2,369,000 cases basis No. 2's, compared with shipments of 2,237,000 basis No. 2's in December, 1943, as reported to the OPA.

Civilian supply of canned corn from the 1944 pack is estimated at 17,800,000 cases basis No. 2's, compared with a civilian supply of 24,000,000 cases from the 1943 pack.

The following table showing the civilian stocks on specified dates and the December, 1944, shipments, in actual cases, is based on reports from canners who packed about 87 per cent of the sweet corn, together with estimates for those not reporting:

	Civilian stocks Dec. 1, 1944	Civilian stocks Jan. 1, 1945	Civilian shipments Dec., 1944
Eastern States	*Cases*	*Cases*	*Cases*
Cream Style White	155,508	94,380	61,128
Cream Style Golden	941,251	577,995	363,256
Whole Grain Golden	362,647	230,728	111,919
Whole Grain White	77,875	47,146	30,720
Total	1,537,281	970,249	567,032
Western States			
Cream Style White	730,571	458,495	272,076
Cream Style Golden	2,178,775	1,460,920	718,855
Whole Grain Golden	3,464,273	2,510,985	953,288
Whole Grain White	96,158	55,462	40,696
Total	6,469,777	4,484,862	1,984,915
Total U. S.	8,007,058	5,455,111	2,551,947

Stocks of Canned Peas

Total civilian stocks of canned peas on January 1, 1945, as compiled by the Association's Division of Statistics, were 3,455,210 actual cases, equivalent to 3,521,000 cases basis No. 2's, as compared with 7,707,000 cases basis No. 2's on January 1, 1944, as reported to the Office of Price Administration.

Shipments in December, 1944, were 1,388,247 actual cases, equivalent to 1,400,000 cases basis No. 2's, compared with 1,816,000 cases basis No. 2's in December of the preceding year, as reported to the OPA.

Total civilian supply of canned peas from the 1944 pack is estimated at 17,800,000 cases basis No. 2's, compared with a civilian supply of 28,400,000 cases from the 1943 pack.

The following table, showing the civilian stocks on specified dates and civilian shipments in December, 1944, in actual cases, is based upon reports from canners who packed about 87 per cent of the 1944 pack, together with estimates for those not reporting.

	Total civilian stocks Dec. 1, 1944	Total civilian stocks Jan. 1, 1945	Civilian shipments Dec., 1944
N. Y. and Me.:	*Cases*	*Cases*	*Cases*
Alaskas	.....	.....	.....
Sweets	437,276	295,398	141,878
Mid-Atlantic:			
Alaskas	203,701	151,031	52,670
Sweets	36,405	27,891	8,514
Mid-West			
Alaskas	1,060,125	728,993	331,132
Sweets	1,259,960	1,024,856	235,104
Western:			
Alaskas	152,670	84,781	67,889
Sweets	1,693,320	1,142,260	551,060
Total:			
Alaskas	1,416,496	964,805	451,691
Sweets	3,426,961	2,490,405	936,556

Utah Association Officers

The following were elected officers of the Utah Canners Association at its regular meeting January 10: President, Albert T. Smith, Clearfield; vice president, J. F. Gimlin, Salt Lake City; and secretary-treasurer, Harvey F. Cahill, Ogden.

REVISION OF GRADES FOR CANNED PEAS PROPOSED

Two proposed changes in the maturity requirements of the U. S. standards for grades of canned peas, generally known as the AMA grades, are outlined in a letter received from F. L. Southerland, Acting Chief of the Processed Products Standardization and Inspection Division of the War Food Administration. The present standards were issued in May, 1942, and views of the industry are desired on the following proposed changes:

"1. A probable revision which, both from experimentation and practical application in inspection seems feasible, is in the maturity requirements for Grade B or Extra Standard peas by increasing the tolerance for Early type peas from 20 per cent to 30 per cent as the maximum number of peas that may sink in 13½ per cent salt solution; and from 10 per cent to 15 per cent that may sink in 14½ per cent salt solution.

"2. Some recommendations have been received on Sweet peas in Grade B or Extra Standard (No. 5 and larger and blends including No. 5 or larger) to change the percentage of salt from 13½ per cent to 13 per cent and from 14½ per cent to 14 per cent. This recommendation, however, does not appear to have general acceptance from all pea canning areas."

During the 1944 canning season the Washington Research Laboratory made a survey of commercially canned peas with special reference to methods for evaluating the maturity of the peas. More than 350 samples from most of the pea canning districts were secured. The examination of these samples has just been completed and the results are being tabulated and studied. It is hoped that the information obtained will be helpful in making constructive suggestions on this subject.

Industry Asked to Defer Applications for Machinery

The Nation's food industries are being asked by the War Food Administration to defer applications for materials and equipment not urgently needed to meet war food needs. They are being asked to plan their procurement and use of container materials in anticipation of short supplies and to carry out conservation and re-use programs for shipping containers, fruit and vegetable containers, and textile bags.

In a statement of facts and policy to representatives of the food trades, the Office of Materials and Facilities of WFA interprets recent war developments and recent amendments to War Production Board Orders L-292 and M-81. The conclusions are that emphasis on military production is resulting in tighter supplies of equipment and container materials, that controls over materials must be tightened, and that WFA must recommend priority assistance for only that equipment or those projects which are essential to the successful prosecution of the war.

In regard to the conservation and re-use of secondhand containers, the WFA states that the need for such programs is greater than ever. Intensive and extensive conservation and re-use programs, officials said, offer the only hope of having enough shipping containers, wooden containers for fruits and vegetables, and textile bags to meet the minimum essential requirements of the war food program in 1945.

Food Bills are Introduced in New York and Missouri

Bills are now pending in the two branches of the New York State Legislature to extend the implied warranty of quality of merchandise not only to the buyer but also to his employees and members of his household. This would practically make the seller an insurer of the quality of the merchandise, whether the seller is the manufacturer or the distributor.

Similar legislation was proposed in several previous sessions of the legislature. The bills now pending are receiving the attention of the Association of New York State Canners and distributors' organizations.

A bill has also been introduced in the Missouri Legislature providing that all canners and food manufacturers doing business in the State must register with and be licensed by the Secretary of that State. A copy of the bill has not yet been received at this office, but its provisions are believed to be similar to the one referred to in the INFORMATION LETTER for February 13, 1943. The Ozark Canners Association has informed all canners in that State of the introduction of the bill.

Other canners who have representatives or who do business in those States may wish to take some action regarding the bills.

Pinto Bean Prices Increased

The War Food Administration reports that support prices for the 1945 crop of Pinto beans, U. S. grades No. 1 and No. 2, will be increased over the previously announced (November 20, 1944) support prices. The increase for grade 1 is from $5.40 to $5.75 per 100 pounds; for grade 2, from $5.25 to $5.60 per 100 pounds, cleaned and bagged, f. o. b. car at country shipping points. The increase was made on the basis of information received from growers and the trade which indicated that a higher support price would be necessary in order to obtain the acreage required to meet the 1945 goal.

Sales of Government-owned Foods Reported for Last Year

Sales of government-owned surpluses of canned food items and dry beans and peas for the period from January 1 through December 31, 1944, have amounted to $6,523,152. About 85 per cent, or $5,497,887 of the sales consisted of canned corn, peas, pumpkin, tomato catsup, dry beans and peas, and garbanzos. Items sold and the sale price follow:

Commodity	Quantity	Price
	Cases	
Apples	1,862	$4,056
Applesauce	23	43
Asparagus	410	2,300
Beans, dry, canned	258,014	435,620
Beans, green	19,881	50,945
Beets	11,651	14,691
Carrots	27,891	50,338
Corn	536,194	1,098,496
Fish, canned	9,712	101,047
Milk, condensed	8,928	22,295
Milk, evaporated	91,753	215,991
Olives	12,167	32,540
Orange juice	20,073	54,316
Peaches	3,191	12,008
Pears	6,819	9,551
Peas	431,764	922,380
Prunes	911	2,282
Pumpkin	106,341	229,416
Sauerkraut	86,182	172,291
Spinach	258	744
Tomato catsup	115,748	306,193
Tomato juice	19,878	38,455
Tomato paste	3,000	13,254
Tomato puree	28,924	83,191
Tomatoes	64,293	144,731
	Cans	
Fruits, miscellaneous	138	$63
Meat products	670	133
	Pounds	
Dry beans	5,849,814	$334,226
Dry peas	22,540,249	556,003
Garbanzos	28,583,164	1,495,553

WFA to Buy Lemon Oil

The War Food Administration has announced that it will purchase an additional 35,000 pounds of distilled lemon oil. Offers for the sale of this commodity must be submitted to the Contract Development Section, Procurement and Price Support Branch, Office of Supply (CCC), War Food Administration, Washington 25, D. C., not later than 5 p. m., EWT, February 2.

INSTRUCTIONS ISSUED ON DRAFT OF FARM WORKERS; WFA WARNS FARM LABOR SHORTAGE WILL BE SERIOUS

General Hershey Sends Wire to Clarify His Directive of January 3

As the result of Congressional protest against the drafting of young farm workers that followed instructions issued on January 3 to local draft boards, Selective Service Director Lewis B. Hershey on January 22 sent a telegram to State boards for immediate transmission to local boards, pointing out that the earlier instructions to review all agricultural deferments in the 18 to 25 age group did not change or modify the Tydings Amendment in any manner.

A special subcommittee of the House Agricultural Committee met on January 23 and agreed to await results from General Hershey's message to the State boards before taking any further action to halt the induction of essential farm workers. In the meantime, the House Military Affairs Committee voted to insert a clause in the May Bill to provide that none of provisions of the bill would interfere with the Tydings Amendment.

General Hershey stated in his telegram that "the opinions and findings contained in State Directors Advice No. 288 were for the consideration of the local boards in determining the classifications of registrants in the age group 18 through 25. Section 5 K of the Selective Training and Service Act, known as the Tydings Amendment, places upon each local board the responsibility to determine, subject to appeal in the case of the individual registrant, whether or not the registrant meets the requirements prescribed by this section."

While the House Agriculture and Military Affairs Committee were discussing the drafting of farm labor, the War Food Administration issued a statement saying that the farm labor shortage will continue to be serious in 1945, and that this year's program will again call for the recruitment of four million people to supplement the regular farm work force on a full or part-time basis. With the exception of weather, farm labor is the greatest limiting factor in farm production. And developments during the last months of 1944 and early in the new year have made it evident that 1945 will perhaps be the most difficult year yet encountered on the farm labor front.

To begin with, the new farm goals call for a continued high rate of food and fiber production in 1945. At the same time, the WFA said, indications point to the smallest labor force on the farms in many years, especially in view of the increased needs of the armed forces.

There is not expected to be a substantial movement of people back to the farm this year. Even an early termination of the war in Europe would not return a large number of men from the armed services to the farms in time for work on the 1945 crop, due to the many problems involved in demobilization. Nor is any industrial reconversion that might follow the European war expected to solve the farm labor shortage, the WFA emphasized. History has shown that people who go to the towns and cities in time of great industrial activity generally do not go back to the farms as long as good paying jobs in business and industry are available.

The WFA stated that there would be an even greater need for the U. S. Crop Corps in 1945 to supplement the regular workers on farms. With brief instruction, these workers, without previous farm experience, can learn to harvest many kinds of fruits and vegetables and do other farm jobs. The Crop Corps recruitment is on a volunteer basis and workers who enlist are paid prevailing wages. The food agency said that it placed three million workers in five and a half million farm jobs during 1944. Since 90 per cent of the supplemental farm labor comes from within the State or county where the need for additional labor exists, the WFA pointed out that local help was the best and most readily available source of farm labor. The statement did not elaborate on the availability of either prisoner of war or foreign labor in 1945, although both will be used.

In a campaign to recruit workers this year, the WFA is requesting those who have the entire summer to spare to contact their county agent or local farm employment office. In cities where no county agricultural agent is located, there probably will be some kind of local farm labor office where prospective workers can obtain information. Those who have less than the entire season to devote to farm work (such as week-ends or two-week vacations) should stand by for local call in their community. This call will come through newspapers, radio, and other means of communication.

According to the January report of the U. S. Bureau of Agricultural Economics, wage rates paid hired farm workers on January 1 were at the highest level for that date in more than 20 years of quarterly records. At the same time the number of farm workers had fallen to its lowest point during that period. The farm wage rate index, at 324 per cent of the 1910-14 average, was down only 1 point from October, compared with an average decline of 6 points in the 10 years, 1934-43. This index was 18 per cent, or 40 points, higher than on January 1, 1944.

MANPOWER BILL

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approved by the committee, but there is included a provision to give registrants a "reasonable choice of employers for whom to work."

Registrants accepting jobs for which the Director of War Mobilization certifies there is a need would be eligible for the benefits of the Soldiers' and Sailors' Civil Relief Act and to the reemployment priorities of the draft law.

Green and Wax Bean Stocks

Civilian stocks of canned green and wax beans in canners' hands on January 1, as compiled by the Association's Division of Statistics, were 2,780,223 actual cases, compared with civilian stocks of 6,912,000 cases basis No. 2's on January 1, 1944, as reported to the Office of Price Administration.

The figures for January 1 of the current year are based upon reports from canners who packed about 70 per cent of the 1944 pack, together with estimates for those not reporting. The following table shows the stocks of canned green and wax beans separately, by regions:

	Green beans	Wax beans
	Cases	*Cases*
Northeast	324,670	161,215
Middle Atlantic	394,374	9,654
Mid-West	264,087	103,760
Western	1,071,517	9,937
Southern	450,000	.....
Total	2,504,648	284,575

Fish Canners to File Forms

In order to adjust existing contracts to conform with the recent change made in the expiration date of War Food Order 44, all canners who pack sea herring, Maine sardines, Pacific mackerel, Pacific horse mackerel, and pilchards are requested to file with the War Food Administration Office of Supply an original and four copies of the following amendment, filling in the appropriate sale form number:

"Offer of Sale Form No. ——, and Form ——, 'Canned Fish—General Contract Conditions,' are hereby amended to establish the ending date of the pack period covered thereby as March 31, 1945."

RETAILERS AND WHOLESALERS TO ABSORB THEIR SHARE OF COST INCREASES TO HALT INFLATION, BOWLES SAYS

If consumers are to be protected from serious inflationary pressures facing the nation in 1945, it will be necessary for retailers and wholesalers to absorb their share of cost increases wherever possible, Price Administrator Chester Bowles said in an address January 23, before a group representing a cross-section of wholesalers and retailers in the department store, dry goods, furniture and hardware fields. The Price Administrator pointed out that during the last two and a half years of price control, manufacturers producing civilian goods have absorbed many increases in wage rates and in materials prices without corresponding increases in the ceiling prices of their products.

This policy of "cost absorption" within reasonable limits was explained to Congress in detail last spring, he said, and received its approval as the only means through which the threat of rising prices could be averted. The Emergency Court of Appeals has also upheld its validity.

"Manufacturers have absorbed these extra costs, and, with few exceptions, have still made far higher profits than they made before the war," Mr. Bowles said. "In justice to consumers, on the one hand, and manufacturers on the other," he continued, "I believe we have no choice but to apply the same approved principle of cost absorption to the distributive trades as well as to manufacturers.

"Since the President's hold-the-line order became effective, the cost of living has been held to an increase of only one per cent," he said. "During those same 18 months, wholesale price increases have been limited to three-tenths of one per cent. These figures are from the Bureau of Labor Statistics.

"That excellent record was attained in large degree because of OPA success in reducing retail prices of food by 4.5 per cent since May, 1943. Record crop yields, subsidies and effective control of food prices at all levels, including distribution, have made this possible.

"Had it not been for this successful operation of the food price program, the story of price stabilization might have been far different. Lower retail food prices have helped to offset increases of 11 per cent in clothing prices and a rise of 13 per cent in house furnishings prices. The decline in food prices—some to below ceiling prices—has almost wholly counterbalanced these other increases because food prices represent about 40 per cent of the cost of living budget of the average middle and lower income groups.

"In 1945, inflationary pressures are likely to be greater than ever before in the nation's history. We cannot hope blindly that unusually favorable growing weather for farmers will continue year after year. If crop conditions should be adverse this summer all food prices would push hard against the ceilings and the stability of the cost of living would be threatened seriously.

"This possibility plus the fact that price rises in consumer goods constitute the most dangerous threat to stable prices, makes it absolutely essential that a policy of reasonable absorption by distributors be carefully developed and uniformly applied.

"According to these established standards ceiling prices of the products of a trade or industry as a group are 'generally fair and equitable' so long as they yield to an industry or trade as a whole at least its peacetime profits before taxes," Mr. Bowles said. "In addition, for industries producing more than one product OPA would not consider the price on one of these products to be fair and equitable if the price failed to cover the out-of-pocket cost of all but the high-cost marginal producers.

"Our pricing standards require the absorption of increases in cost before price increases are allowed except where the result is to make the price below the 'generally fair and equitable' level. OPA has employed this absorption principle at the 'manufacturing level practically since Pearl Harbor. If it had not been for this principle the level of all prices would be far higher than it is today. We would be headed toward a dangerous inflation.

"In working out a program of comparable principles for absorption by retailers and wholesalers, we will not require them in any trade to absorb increases in the prices of goods they purchase or increases in other costs if it reduces that trade's over-all profits below its peace-time earnings.

"This does not mean that ceilings must be set so that every wholesaler and retailer can obtain a profit regardless of individual efficiency. It means that ceilings must be such that a trade as a whole can earn as an absolute minimum its full peacetime profits. The vast majority will, of course, continue to earn far more than that.

"We will also work out principles by which to determine the minimum point beyond which a margin of a wholesaler or retailer on a particular commodity will not be reduced by increases in his suppliers' prices."

WFA Says U. S. Civilians to Get Less Chicken and Sugar

In announcing allocations of major foods for the three-month period, January-March, 1945, the War Food Administration said that, in view of an expected smaller slaughter of chicken in 1945, and also because United States military procurement must be stepped up, chicken has been allocated for the first time. More than three-fourths of the total supply or 346,500,000 pounds, the quantity estimated to be available during January through March, has been allocated to civilians. United States military and war services will get almost 115,500,000 pounds, or most of the remaining supply.

The WFA also said that civilian supplies of evaporated milk—about 435,000,000 pounds—will be approximately the same during the next three months as in the past three. The January-March allocation of 47,000,000 pounds of condensed milk is down about 8,000,000 pounds from the previous quarter.

United States military and war services have been allocated close to 145,000,000 pounds of evaporated milk and about 3,000,000 pounds of condensed milk for the quarter. Other programs will receive more than 205,000,000 pounds of evaporated and about 18,000,000 pounds of condensed milk for the first three months of 1945. In addition, a 10,000,000 pound reserve of condensed milk for shipment to liberated areas will be available if needed.

Civilian supplies of sugar will be sharply lower in 1945, the WFA emphasized. Current estimates indicate that the annual supply for civilians will total 5,400,000 tons compared with a use of more than 6,000,000 tons in 1944. As a result of the less favorable supply situation and because use of sugar is at a seasonal low point in the first quarter, the January-March allocation of 1,200,000 tons is approximately 225,000 tons lower than the estimated quantity consumed in the last quarter of 1944. It is 112,000 tons below distribution in the corresponding period in 1944.

United States military and war services have been allocated about 148,000 tons of sugar for direct use during the next three months. Direct allocations to other claimants (including our Allies, the Red Cross, and United States territories) total about 102,000 tons for the quarter. In addition, a little more than 135,000 tons has been set aside for use in foods processed for the United States military and for exports and shipments.

Ceilings Set for Government Sales of Grapefruit Segments

Processors' ceiling prices for grapefruit segments canned during the 1945 season have been established for sales to Government agencies by the Office of Price Administration through the issuance of Amendment 1 to Supplement 5 to Food Products Regulation 1, effective January 26. The ceiling prices for sales to the Government f.o.b. shipping points in Florida and Texas, apply to sweetened grapefruit segments packed on and after October 1, 1944, OPA said.

The prices per dozen No. 2 cans follow: Florida-grown fruit — sections, $1.80, broken sections, $1.70, and for Texas-grown fruit — sections, $1.625, broken sections, $1.525. These prices—$41.55 a ton for Florida-grown fruit and $29.75 a ton for Texas-grown fruit—are intended to reflect the prices recommended by the War Food Administration for raw grapefruit delivered at the cannery.

Allowance also has been made for profits at least equal to those earned by citrus processors during the base period pack years of 1940-41, OPA said. Processors who pack grapefruit segments from fruit grown in more than one area for which different prices have been established should apply to OPA for a ceiling price.

Dual Minima Rates Proposed

The Carriers Traffic Executive Association, Eastern Territory, has submitted a proposal to establish rates on canned goods, minimum 70,000 pounds, at rates ten per cent lower than present rates for lower minimum, such lower rates at higher minimum to alternate with present existing carload minima and rates. While the proposal is for application within the Official Classification territory, it is apparently in answer to a resolution adopted by the Canned Goods Shippers' Conference and may spread to all territories. The proposal has been assigned for public hearing of interested shippers at the Palmer House, Chicago, February 6.

As the subject is one of importance to canned goods shippers, a meeting of the Canned Goods Shippers' Conference will be held at the Drake Hotel on February 4 and 5 so that the special committee may be prepared to submit its findings in connection with the general question involved.

Point Values for February

Present point values for all canned foods will remain unchanged for the month of February, the Office of Price Administration has announced. The new ration period goes into effect at 12:01 a. m., January 28.

New York Canner Dies

Robert Mulree, 70, production executive of Birds-Eye-Snider Division of General Foods Corporation, passed away at his home in Rochester, N. Y., on January 23 following a brief illness. Mr. Mulree had been active in the canning industry for more than 50 years, dating back to his association with the Burt Olney Canning Company at Oneida, N. Y., in 1893. He had served as a member of the Board of Directors and Section secretary of the Association.

Hearings on CCC Bill Postponed

Hearings on the proposed Senate bill (S. 298) to extend the life and expand the powers of the Commodity Credit Corporation were postponed from January 23 to January 26. Senator Bankhead is chairman of the Senate Banking and Currency Subcommittee which is conducting the hearings. (See INFORMATION LETTER 1020, page 8488.)

Death Claims Florida Canner

Claude E. Street, 77, pioneer grapefruit juice canner in Florida, and one of the founders of the Florida Grapefruit Canners Association, died at the home of his son in Winter Haven, on January 10. He is survived by his widow and by a son, Claude C. Street, general manager of the McDonald Corporation plant at Auburndale.

Corn Borer and Smut Control

Although no very satisfactory control measures have been available for smut on sweet corn, it was observed a few years ago in New Jersey that the disease was much less prevalent in experimental plots which had been sprayed and dusted for the control of European corn borer than in untreated plots. These observations have since been verified by tests and the results published by the New Jersey Agricultural Experiment Station in Station Circular 486 entitled "Control of European Corn Borer and Ear Smut on Sweet Corn with Dusts and Sprays."

The materials used in the control program were chiefly ground derris or cube root and nicotine bentonite. Four to five applications were made at five-day intervals.

President Appeals for Help on Food Production in 1945

President Roosevelt in a statement issued on January 22 called upon the American people to aid in the task of getting food produced in 1945 and seeing that it is conserved and shared. The statement follows:

During the past three years every American who has played a part in the job of growing, conserving, harvesting, distributing and processing our food supply has done a magnificent job.

As we enter a new year, the demands for our food at home and abroad are so great that it is essential for every man and woman to do everything to help in the huge task of getting the food produced and seeing that it is conserved and shared. Many of our favorite foods are scarce.

To this end, I ask the people in cities, towns and villages to assist our farmers in every posible way to reach the food goals which have been set for this year.

I call upon the millions of victory gardeners who have done so much to swell the nation's food supply in these war years to continue their good work.

I ask those people who can spare the time to assist the nation's food processors in the task of preparing the food for our armed services, our civilians and our allies.

I ask the millions of women who have preserved food at home so that our armed services could have the fruits and vegetables they need, to carry on until the war is won.

I ask every American to share our available food by observing the rules of rationing and by cooperating with food merchants in the observance of food price ceilings.

I know I can count on the American people to respond to these calls to action, so that we can all truly continue to say when the war is won that our food has played an important role in the fight for freedom.

Would Expand Extension Work

Legislation proposed by Senator Bankhead of Alabama would ultimately increase the Federal appropriations for county agricultural extension work by an additional $12,500,000 per year. The bill (S. 393) provides for a graduated increase in the present appropriations beginning with an additional $4,500,000 for the fiscal year ending June 30, 1946, with $4,000,000 more in each of the following two years. A similar bill (H. R. 1690) has been introduced in the House by Representative Flannagan, Chairman of the House Agriculture Committee.